Tobacco Bashing Is Not a Free Lunch

Recently, President Clinton and the Commissioner of the Food and Drug Administration have gone around bashing cigarettes and tobacco companies so fervently that you would think they had discovered the political equivalent of a free lunch: an issue on which everyone agrees. Perhaps they think the FDA's assertion of jurisdiction to regulate tobacco products (even though Congress has refused to grant FDA such jurisdiction) will hurt no one but the tobacco companies.

It leaves me wondering if either of them has ever stopped to think about who makes up the tobacco industry. If the President or the Commissioner did stop to think about it, they would realize that ordinary, hard-working Americans in every sector of the economy connected to tobacco have their jobs on the line in this debate.

Nearly 700,000 people across the country are directly employed in the tobacco industry, as farmers, manufacturers, wholesalers, retailers, marketers, or suppliers of goods and services to the tobacco industry. These 700,000 jobs directly within the tobacco industry, in turn, support close to an additional 1.5 million related jobs. In all, $66.7 billion in wages and $40 billion in tax revenues are at stake when we are talking about the tobacco industry.

What will happen to these jobs and this tax

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revenue if the Administration is able to implement its plan to allow FDA regulation of tobacco? Anyone knowledgeable about food and drug law will tell you that Commissioner Kessler has implicitly proposed a total prohibition on tobacco products by asserting FDA jurisdiction over them.

Prohibition is the natural result of FDA jurisdiction over tobacco because the FDA is required by law to determine that the products it regulates are "safe and effective." There is no chance that the agency would, or could, make such a determination with respect to cigarettes. Unless it does, however, the FDA would be required to ban them altogether.

Total prohibition would not eliminate every job in the tobacco industry -- the underground economy would swell. There can be no doubt that a black market for tobacco would materialize immediately. For example, in Canada, criminal gangs from around the world took advantage of lucrative smuggling opportunities when Canada raised its cigarette taxes dramatically, forcing the price of a pack of cigarettes over five dollars. Because of this criminal activity, the Canadian government was forced to repeal the tax.

However, most of the jobs directly related to tobacco would disappear under prohibition, along with many of the jobs indirectly dependent on the industry, and all of the tax revenue associated with tobacco.

These are serious economic consequences

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associated with the Administration's plan -- certainly no free lunch.

The President would tell you that the health of our children is at stake here; the problem is that the President's plan would do nothing to protect children from the health effects of smoking. The regulations proposed by the FDA focus on restricting the right of the tobacco industry to advertise. But, there is no proven correlation between advertising and a teen's decision to smoke. In fact, recent experience in Australia provides strong evidence that advertising does not encourage underage smoking. Three years after Australia completely banned tobacco advertising, tobacco consumption by teenagers between the ages of twelve and fifteen has increased by over thirty percent.

Not only would the FDA's regulations fail to keep children from smoking, once the FDA obtains jurisdiction over tobacco, it would immediately endanger the freedom of adults to choose to smoke.

President Clinton needs to withdraw his support from the FDA's proposal. If he does not, he risks eliminating hundreds of thousands of jobs and risks trampling the personal freedoms of adults in this country, while accomplishing nothing to prevent children from having access to tobacco products. There really is no such thing as a free lunch.

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